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of The Litigation Practice Group P.C.

16 UNITED STATES BANKRUPTCY COURT  
17  
18 CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA

19 In re  
20 THE LITIGATION PRACTICE GROUP P.C.,  
21 Debtor.  
22  
23  
24

Case No. 8:23-bk-10571-SC

Chapter 11

NOTICE OF FUNDS IN POSSESSION OF  
TRUSTEE

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TO THE HONORABLE SCOTT C. CLARKSON, UNITED STATES BANKRUPTCY JUDGE,  
THE OFFICE OF THE UNITED STATES TRUSTEE, AND ALL INTERESTED PARTIES:

Richard A. Marshack, in his capacity as Chapter 11 Trustee (“Trustee”) for the bankruptcy estate (“Estate”) of The Litigation Practice Group P.C. (“Debtor”), files this Notice of Funds In Possession Of Trustee<sup>1</sup> (“Notice”). All Estate accounts are held at Flagstar Bank and contain the following:

- (1) General checking 9960 - \$4,947,020.73<sup>2</sup> - Largely closing funds (to be transferred to the Sale Proceeds account);
- (2) ACH segregated 2953 - \$6,248,466.48 - ACH pulls from customer clients, held pending further briefing;
- (3) Payroll and operating 4611 - \$48,014.28 - Balance of funds available from operating loans; and
- (4) Payroll tax 4344 - \$32,244.86 - tax account for funds from operating loans attributed to tax obligations owing for payroll; and
- (5) Sale Proceeds 3526 - \$250,000 – Proceeds from Buyer.

Date: August 8, 2023

MARSHACK HAYS LLP

By: /s/ D. Edward Hays

D. EDWARD HAYS  
LAILA MASUD  
BRADFORD N. BARNHARDT  
Attorneys for Chapter 11 Trustee,  
RICHARD A. MARSHACK

<sup>1</sup>Sums listed are current ledger balances (balances net of all outstanding checks). For example, Trustee has issued and overnighted a check for \$750,000 to the backup bidder (Bensamochan Law Firm).

<sup>2</sup> This sum will be reduced because on August 9, 2023, Trustee will be issuing most if not all of the final payroll and payroll related expenses which is approximately \$220,000 for net payroll and payroll taxes and approximately \$70,000 owed for July and August medical insurance. Payroll and payroll related expenses will be paid from the appropriate payroll account. Any sales proceeds held in the General Checking 9960 Account will thereafter be transferred to the Sales Proceeds 3526 Account.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
870 Roosevelt, Irvine, CA 92620.

A true and correct copy of the foregoing document entitled: **NOTICE OF FUNDS IN POSSESSION OF TRUSTEE** will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **August 8, 2023**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:** On **August 8, 2023**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

**DEBTOR – MAIL REDIRECTED TO TRUSTEE**

THE LITIGATION PRACTICE GROUP P.C.  
17542 17TH ST, SUITE 100  
TUSTIN, CA 92780-1984

☒ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL:** Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **August 8, 2023**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

**VIA PERSONAL DELIVERY:**

**PRESIDING JUDGE'S COPY**

HONORABLE SCOTT C. CLARKSON  
UNITED STATES BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
RONALD REAGAN FEDERAL BUILDING AND COURTHOUSE  
411 WEST FOURTH STREET, SUITE 5130 / COURTROOM 5C  
SANTA ANA, CA 92701-4593

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

August 8, 2023  
Date

Layla Buchanan  
Printed Name

/s/ Layla Buchanan  
Signature

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): CONTINUED:**

- **INTERESTED PARTY COURTESY NEF:** Eric Bensamochan eric@eblawfirm.us, G63723@notify.cincompass.com
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